

No. 8/17/DASP

Jakarta, July 25 2006

C I R C U L A R L E T T E R

To

ALL COMMERCIAL BANKS

IN INDONESIA

Concerning: The second amendment of Circular Letter of Bank Indonesia
no. 2/10/DASP dated June 8, 2000 concerning Procedures in
Withdrawing Blank Cheques

Emergency is a temporary situation caused by natural disasters such as earthquake, flood, and volcanoes eruption or any other kind of natural disasters as well as unexpected and unpredictable situation such as riots that takes place in Indonesia. This Emergency situation has given us directly or indirectly, detrimental impacts to every aspect of our lives and one of them will be interruption of the economic life in the region of the disaster.

The impact that disturbed the economy of the society will affect the decrease of power of the society especially the Drawer of Cheque in fulfilling their obligations to provide funds for the payment of cheques issued before the Emergency state. This condition will finally lead to a rejection to the cheque/bilyet Giro due to insufficient balance.

As one of ...

As one of the efforts in supporting the economic recovery and in decreasing the burden of the people of the affected location especially for Drawers of cheques, it is considered necessary to make amendment to the Circular Letter no. 2/10/DASP dated June 8, 2000 concerning the Procedures in Withdrawing Blank cheques as amended by Circular Letter no. 4/17/DASP dated November 7, 2002 that will be read as follows:

I. A new point, VA, will be inserted between V and VI to read as follows:

”V.A. Cancellation of Rejection on Blank cheques due to Emergency situation.

1. In the event of cheque rejection caused by insufficient balance and resulted from the direct impact of an Emergency situation, based on the request of the Drawer, it is possible for the Drawee to submit a request to the local representative of Bank Indonesia not to categorize the rejection of blank cheque as withdrawal of blank cheque (further referred to as Cancellation Request).
2. The request of cancellation should be submitted in writing by Drawee to the regional Bank Indonesia and should be attached by at least the following documents:
 - a. A photocopy of the cheque to be proceeded for cancellation request of blank cheque
 - b. A statement from the Drawer describing the relation between the withdrawal of blank cheque and the occurrence of Emergency situation that has directly affected the Drawer;and
 - c. A certificate from the local police and/or local authority (Kepala Desa, Lurah, Camat and/or other authorized officials) stating that the Drawer is definitely the victim of an emergency situation. In the event of a wider scope of

2. If considered....

Emergency situation which impedes the activities of the police infrastructure and/or local authorities, the certificate is no longer needed.

3. If considered necessary, Bank Indonesia will require other proof that will support the causality relation between the withdrawal of the blank cheque and the Emergency situation faced by the Drawer (facultative issue), such as photos related to the emergency situation, mass media communications and others.
4. The Cancellation Request as referred to in number 2 is only valid for blank cheque with reference to number 2.a. as stipulated in the following provisions:
 - a. The date of issuance written in the blank cheque is the date before the emergency situation, or the same date as the emergency situation but the date of issuance was determined before the emergency situation;
 - ~~b.~~ Rejection of blank check in return occurred after the emergency situation.
5. Provision as referred to in number 4 is also valid for post dated cheque. The Cancellation Request by Drawee for the withdrawal of blank check originated from post dated cheque should be accompanied by proof certifying that the concerned post dated cheque fulfills the requirement as referred to in number 4 a and b.
6. The Cancellation Request by the Drawee as referred to in number 2 can be submitted as long as the name of the Drawer is still registered in the Administration desk of the blank cheque dan/or in the valid black list.

7. The cancellation ...

7. The cancellation request due to Emergency situation will be exempted from administration fee provided that the request is approved by Bank Indonesia.
8. Each cancellation request disapproved by Bank Indonesia will be subject to administration fee amounting to Rp 100 000,- (one hundred thousand rupiahs). The administration fee is set up in the provision as referred to number V 3.
9. The regional Bank Indonesia will give approval or refusal on the cancellation request within 30 (thirty) working days starting from the date of the request attached by the required document as referred to in number 2 has been received by Bank Indonesia, except for:
 - a. The request of cancellation has been submitted but still under process of approval or refusal by Bank Indonesia; or
 - b. Infrastructure of regional Bank Indonesia does not function accordingly; the process will then take more than 30 (thirty) working days.
10. The Request of cancellation will be approved by Bank Indonesia provided that it fulfills the following conditions:
 - a. the name of Drawer of blank cheque has not yet been registered in the Black List of Bank Indonesia, the regional Bank Indonesia will issue a letter of cancellation for Drawee containing information that the withdrawal of the concerned blank cheque has been cancelled by the Administration of Blank cheque of Bank Indonesia; or
 - b. In the case where the Drawer's name of blank cheque has been registered in the Black List of Bank Indonesia, the regional

Bank Indonesia ...

Bank Indonesia will issue a correction letter of Black List for the Drawee and the other banks involved.

Bank Indonesia has the right of conducting investigation both directly and/or indirectly on accuracy of the information and/or the document submitted by the Drawer in the request of Cancellation as referred to in number 2. .”

II. The provisions in this Circular Letter will be effective on July 25, 2006 and has been retroactively valid since January 3, 2005.

For the public to be informed, it is ordered that this Circular Letter be promulgated by placing it in the State Gazette of The Republic of Indonesia.

Please be informed accordingly.

BANK INDONESIA

EDI SISWANTO
DIRECTOR OF ACCOUNTING
AND PAYMENT SYSTEM